DEPARTMENT OF SOCIAL AND HEALTH SERVICES
MEDICAL ASSISTANCE ADMINISTRATION
Olympia, Washington

To: HCFA-1500 Claim Form Billers
Managed Care Plans
Regional Administrators
CSO Administrators

Memorandum No. 02-72 MAA
Issued: September 1, 2002

Supercedes: 00-01 MAA

From: Douglas Porter, Secretary
Medical Assistance Administration

If you have questions, call:
Provider Relations 1-800-562-6188

Subject: Important HCFA-1500 Claims Processing Information

The purpose of this memorandum is to update information previously sent to providers under Numbered Memorandum 00-01 MAA; sent February 1, 2000, regarding the Medical Assistance Administration's (MAA) Claims Capture and Imaging System (CCIS).

Updated Claims Processing Tips

1. **Use black or blue ink only** when placing an "XO" in field 19 on the HCFA-1500 claim form to identify Medicare crossover claims. Do not use red ink as previously requested by MAA.

2. **Consider MAA's electronic billing options;** see last page of this memorandum. When using MAA's electronic billing, the instructions included in this memorandum regarding filling out the claim form are automated.

☞ **Updated guidelines are attached.**

PROPERLY COMPLETING THE HCFA-1500 CLAIM FORM WILL SPEED CLAIMS PROCESSING AND TIMELY REIMBURSEMENT

The **Medical Assistance Administration (MAA) uses a claims scanning/imaging system**, known as Scan-Optics ImageEMC++. This system is designed to maximize effective and accurate automatic processing of paper claims and related documents.

How does the claims scanning/imaging system work?

The process starts when an image of the paper claim sent by the provider is created and supplied by a Scan-Optics high-speed scanner. The data from the image is then processed through an Optical Character Recognition (OCR) system that views and verifies the scanned data. This data is then passed to the Medicaid Management Information System (MMIS) and processed.

OCR is an efficient and accurate process that does not require manual keying of each character from the claim form. However, the way the HCFA-1500 claim form is completed by providers may affect the scanner's ability to read the data correctly. Poorly formatted data seriously slows claims processing and timely reimbursement to providers and can create unnecessary denial of payment.

What can providers do to help prevent errors?

Providers and billing services can help assure prompt and accurate OCR translation of their claims by following the guidelines listed below when preparing their HCFA-1500 claim forms for billing.

Guidelines for completing the HCFA-1500 claim form

- **Use only the original preprinted red and white HCFA-1500 claim forms** (version 12/90 or later, preferably on 20# paper). This form is designed specifically for OCR systems that do not recognize/read red ink. This OCR system cannot read black and white (carbon, copied, or laser printer generated) HCFA-1500 claim forms.

- **Use blue or black ink only! Do not use any other colored ink when making notations on claims. Also, do not use highlighters, "post-it notes," stickers, correction fluid or tape** anywhere on the claim form or backup documentation. Colored ink and/or highlighters will not be picked up in the scanning process. Vital data will not be recognized. Do not write or use stamps or stickers that say, "REBILL," "TRACER," or "SECOND SUBMISSION" on claim form.

- **Use 10 pitch (pica) typewritten characters and standard dot matrix fonts.**
  Do not: 1) mix character fonts on the same claim form; 2) use italics; or 3) use script.

- **Use upper case (capital letters) for all alpha characters**.

- **Use black printer ribbon, ink-jet, or laser printer cartridges**.
  Do not use old or worn out print bands or ribbons when generating your billings. Check the print quality and readability of the claim form.

  If the print on a claim is too light to accurately be processed through the OCR system, the claim will be denied or sent back to rebill. The Explanation of Benefits (EOB) code will state that the claim cannot be processed.

- **Enter all claim information within the designated field** and on the same horizontal plane. Data that is misaligned will delay processing or may even be displayed incorrectly.

- **Place only six detail lines on each claim form.** If more than six detail lines are needed, use additional claim forms.

- **Total each claim form separately**. If multiple claim forms are used, total each form separately.

  > Do not type "continued on next claim" at the bottom of any claim form. Do not indicate the entire total (for all claims) on the last claim form.

- **Do not enter information in any of the insurance fields unless it is private health insurance**. Entering comments such as: "Medicaid," "Medicare," "DSHS," or "Healthy Options" in these fields may cause delays or possible denial of payments.

- **If Medicare has paid for a service on the claim, please put "XO" in field 19** (Reserved for Local Use). **DO NOT USE RED INK.**

  > To indicate Medicare or Managed Medicare, please use field 19 (Reserved for Local Use), rather than fields 9 and 11.

- **Place any pertinent comments in field 19 (Reserved for Local Use).**
  (Example: "NOT A DUPLICATE," "TWIN #," "BABY ON MOM'S PIC.")

- **Use 6-digit dates for the date-of-service field**. (Example: 030802)

  > Do not use slashes, dashes, 4-digit dates of service (3/8/02) and 8-digit dates of service (03/08/2002). These could increase the chance of inaccurate data interpretation by the OCR system.

- **Please use only the appropriate 1-digit Washington State "Place of Service" codes in field 24B**. Refer to the appropriate MAA billing instructions for the Place of Service codes.

- **Make sure that the valid "Type of Service" code is entered in field 24C for the type of service you are billing**.

  Valid Type of Service codes:

  ✓ 3 for Physician claims
  ✓ 9 for Medical Vendor claims; and
  ✓ Z for Ambulatory Surgery Center claims.

  > Omitting this code or billing with an invalid "Type of Service" code could cause the claim to be routed to the wrong "type of claim" processing queue, resulting in denial of the claim.

- **Enter only valid ICD-9-CM diagnosis codes and procedure codes**[WLB1].
  (Refer to your billing instructions for these codes.)
  Do not add extraneous information such as the descriptions of these codes.

- **Do not use dollar signs or decimals in any dollar amounts field**.

- **Do not add or indicate tax on the claim form**. The system will automatically add tax to taxable items (when appropriate).

- **Enter your 7-digit MAA-assigned billing provider number in field 33, Grp #.**
  Enter (if applicable) the performing provider number in field 33, Pin#.

- **Submit any necessary backup documents on single-sided, standard size, white sheets of paper (8 ½ x 11)**. Please make sure the backup documentation is readable, then attach the documentation to each individual claim form.

  > Backup submitted on any of the following could result in inaccurate processing and denial of the claim:
  >
  > ✓ "Post-It" notes;
  > ✓ Colored paper;
  > ✓ Legal-sized or double-sided paper;
  > ✓ Backup for multiple claims attached to a single claim

Please consider the many benefits of electronic billing:

Electronic billing, whether by MAA's Electronic Claims Submission (ECS) system or by MAA's Medical Assistance Claims Network (MACNET) operated by MAA's Electronic Media Claims (EMC) department:

- Reduces your paper production and mailing costs; and
- Results in quicker payments (on average, MAA pays electronic claims within nine days, whereas paper claims take 23 days to process).

For more information about MAA's ECS system via the Internet, please go to http://ecs.dshs.wa.gov or call (360) 725-1147. For questions regarding MAA's MACNET system, see MAA's Electronic Billing Instructions located at: http://maa.dshs.wa.gov (Open Provider Publications/Fee Schedules) or call (360) 725-1267.

Numbered Memo 02-72 MAA Important Claims Processing Information

State of Washington
DEPARTMENT OF SOCIAL AND HEALTH SERVICES
PO Box 9245, Olympia, WA 98507-9245

Change Service Requested

PRSRT STD
US POSTAGE PAID
WASHINGTON STATE
DEPARTMENT OF PRINTING